

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
BEAUMONT DIVISION**

BIJU MUKRUKKATTU JOSEPH, <i>et al.</i> ,)	
)	
Plaintiffs,)	
v.)	Civ. No. 1:13-cv-00324-RC-ZJH
)	
SIGNAL INTERNATIONAL LLC, <i>et al.</i> ,)	
)	
Defendants.)	

SIXTEENTH STATUS REPORT

Plaintiffs, in accordance with the Court’s Order Staying Case Pursuant to Bankruptcy [Dkt. No. 335] requiring the parties to file a notice every 120 days informing the Court of the status of the Signal bankruptcy proceedings, hereby file this Status Report as of October 23, 2020. (Reports prior to the Sixth Report were from all parties, but counsel for a Defendant in this action noted lack of involvement in Signal’s bankruptcy proceedings, so counsel for Plaintiffs has been responsible for subsequent reports.)

As noted in the parties’ prior reports [Dkt. Nos. 338, 339, 340, 341, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, and 353], the Signal Entities filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code on July 12, 2015. *In re Signal Int’l, Inc., et al.*, No. 15-11498 (Bankr. D. Del. July 12, 2015) (the “Bankruptcy Court”).¹ On November 24, 2015, the Bankruptcy Court entered its Findings of Fact, Conclusions of Law and Order Confirming Debtors’ First Amended Joint Plan of Liquidation Pursuant to Chapter 11 of the

¹ The other entities are: *Signal Ship Repair, LLC* (Case No. 15-11499), *Signal Int’l, LLC* (Case No. 15-11500), *Signal Int’l Texas GP, LLC* (Case No. 15-11501), and *Signal Int’l Texas, L.P.* (Case No. 15-11502). By the Bankruptcy Court’s order, all five cases were jointly administered with the *Signal Int’l, Inc.* case. *In re Signal Int’l, Inc.*, No. 15-11498 (Bankr. D. Del. July 14, 2015), ECF No. 55.

Bankruptcy Code [Bankr. Dkt. No. 555] (the “Confirmation Order”), confirming the Signal Entities’ plan of liquidation, which implemented the plan support agreement among the Plaintiffs, the Signal Entities and certain other parties, for the settlement of, *inter alia*, the Plaintiffs’ claims against the relevant Signal Entities. Pursuant to the Plan, a litigation trust (the “Signal Litigation Trust”) has been created for the distribution of the settlement proceeds. That process remains ongoing, as the Signal Litigation Trust distributed Trust Claim Forms in February, 2016. Initial partial payments on accepted claims were distributed in July, 2017. A second partial distribution to Plaintiffs from a separate settlement from Defendants Dewan and Burnett was accomplished in October, 2019.

Counsel for Plaintiffs has been informed by the Trustee that the party whose payments on a certain note were to fund the Trust is in default, and the Trustee asked the bankruptcy court for permission to liquidate the note in a sale to one of three bidders. The Trustee filed such a motion, which the bankruptcy court granted. The Trustee is presently working with the party obligated on the note to seek to sell the underlying property, which the Trustee believes will result in the best return for the beneficiaries of the Trust. The amount and timing of subsequent payments are thus uncertain, but efforts are continuing to finalize the settlement. These efforts have apparently been complicated by the current pandemic.

The Plan became effective on December 14, 2015 [Bankr. Dkt. No. 589]. As of that date, pursuant to the Confirmation Order, “any suit, legal action, or other proceeding ... in any forum in the United States that is released, stayed, or enjoined pursuant to Article XI of the Plan against or affecting any Released Party [the Signal Entities], shall be stayed, enjoined or otherwise prohibited from continuation as to any Released Party.” (Confirmation Order at 25 ¶ 10.)

On February 5, 2019, the Signal bankruptcy proceeding was closed in accordance with the confirmed plan. Part of that confirmed plan is for the Signal Litigation Trust to distribute proceeds to the Plaintiffs in this action, and others similarly situated. A significant part of those proceeds has not yet been distributed. Because of the termination of the bankruptcy, the automatic stay is no longer in effect. As noted above, final distributions have been made from the Defendants other than Signal who settled with Plaintiffs. Counsel for Plaintiffs is informed that the final distribution from the Signal Litigation Trust should take place in the next few months, at which time dismissal of this action would be appropriate.

Respectfully submitted, this 23rd day of October, 2020.

/s/ John H. Fleming

John H. Fleming (*pro hac vice*)

EVERSHEDS SUTHERLAND (US) LLP

999 Peachtree Street, NE, Suite 2300

Atlanta, Georgia 30309-3996

Telephone: (404) 853-8000

Facsimile: (404) 853-8806

johnfleming@eversheds-sutherland.com

ATTORNEYS FOR PLAINTIFFS

CERTIFICATE OF SERVICE

I hereby certify that on October 23, 2020, I electronically filed the foregoing **Sixteenth Status Report** with the Clerk of Court using the CM/ECF system, which will automatically send e-mail notification of such filing to all ECF participants.

I further certify that on October 23, 2020, I served true and correct copies of the foregoing document upon the below-named Defendants by depositing copies of same in the United States mail, postage prepaid, addressed as follows:

Michael Pol
Global Resources, Inc.
c/o William P. Wessler, Esq.
William P. Wessler, Attorney at Law
1624 24th Avenue
Gulfport, MS 39501-2969

Mr. Billy Wilks
9136 Heather Lane
Moss Point, MS 39562

/s/ John H. Fleming
John H. Fleming